

## **AGREEMENT**

**THIS AGREEMENT** (the “Agreement”) made the \_\_\_\_\_ day of \_\_\_\_\_, 2020, between the **COUNTY OF ULSTER**, a municipal corporation, having its principal place of business at 244 Fair Street, Kingston, New York 12401, hereinafter referred to as the “**County**,”; and the **CITY OF KINGSTON**, a municipal corporation having its main office and principal place of business at 420 Broadway, Kingston, New York 12401, hereinafter referred to as the “**City**” (each, a “Party,” and together, the “Parties”).

### **WITNESSETH:**

**WHEREAS**, the County of Ulster has imposed a Sales and Compensating Use Tax pursuant to the laws of the State of New York; and

**WHEREAS**, Articles 28 and 29 of the Tax Law of the State of New York authorize municipalities to impose certain taxes on retail sales and other similar transactions and compensating use taxes as herein specified, to be administered by the State Tax Commission, and provide certain priorities and pre-emptive rights for each of the Parties; and

**WHEREAS**, subdivision (c) of Section 1262 of the Tax Law of the State of New York provides that Sales and Compensating Use Taxes may be allocated to cities and the areas in the county outside the cities in such proportion as may be agreed upon by the elective governing body of a county and of each of the cities in the county, with the approval of the State Comptroller; and

**WHEREAS**, pursuant to Sections 1210(i)(7) and 1224(o) of article 29 of the Tax Law of the State of New York, the County receives an additional one percent (1%) on taxable sales; and

**WHEREAS**, the Parties entered into a sales tax agreement with an effective date of March 1, 2016, and which expires on February 28, 2021; and

**WHEREAS**, representatives of the Parties have entered into extensive discussions and negotiations regarding this Agreement; and

**WHEREAS**, the Parties wish to enter into this Agreement and be bound by its terms, and hereby acknowledge that sufficient consideration has been exchanged by the terms of this Agreement; and

**WHEREAS**, by resolutions duly adopted by the governing bodies of the County and the City, the Parties have agreed upon a plan of distribution of a portion of the Sales and Compensating Use Tax imposed by the County providing a portion to the Towns of Ulster County; and

**WHEREAS**, for purposes of this agreement, the term “Towns” shall mean the Towns situated with the County of Ulster as a unit.

**NOW, THEREFORE,** in consideration of the mutual covenants herein contained, the Parties hereto mutually covenant and agree as follows:

1. The County shall, effective March 1, 2021, continue to impose all taxes described in Articles 28 and 29 of the Tax Law of the State of New York, pursuant to Sections 1210 of said law, at a rate of 4% or any other rate(s) as may be authorized by the New York State Legislature during the term of this Agreement.
2. During the term of this Agreement, the City shall not impose any of the taxes authorized by Section 1210 of Tax Law of the State of New York as specified above in Paragraph Number 1 of this Agreement, nor shall the City exercise any “prior right” set forth in Section 1224 of the Tax Law of the State of New York.
3. The net proceeds of said taxes that the County imposes shall be allocated and disposed of as follows:

DURING THE PERIOD OF MARCH 1, 2021 THROUGH FEBRUARY 28, 2026:

- A. 85.5% of such monies shall be set aside for County purposes and shall be available for any legitimate County purpose.
  - B. 11.5% of such monies shall be paid monthly directly to the City to be used by the City for any legitimate City purpose. The County shall pay such share of the monies to the City within seven (7) work days after receiving the same from the State Tax Commission.
  - C. 3.0% of such monies shall be allocated monthly or otherwise as provided by law, to the area of the County outside of the City, to be distributed among the Towns therein, based upon full valuation.
4. For any sales tax period covered under this Agreement, should the Gross Sales Tax collected by Ulster County during a tax year exceed the high watermark of \$128,561,331 (2020 Budgeted Revenue), the County of Ulster and the City of Kingston agree to meet no later than May 1 of the following year to discuss the allocation of the amount in excess of \$128,561,331, to consider increasing the allocation of the excess to the Towns, subject to the approval of the Ulster County Legislature and City of Kingston Common Council.
  5. This Agreement shall take effect on March 1, 2021 and continue in effect for a period of five years expiring on February 28, 2026.
  6. This Agreement is subject to the approval of the State Comptroller of the State of New York.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized officers and their corporate seals affixed the date and year first above written.

**COUNTY OF ULSTER**

By: \_\_\_\_\_  
**DAVID B. DONALDSON**, Chairman  
Ulster County Legislature

On this \_\_\_ day of \_\_\_\_\_, 2020, before me personally came David B. Donaldson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
NOTARY PUBLIC

**CITY OF KINGSTON**

By: \_\_\_\_\_  
**STEVEN NOBLE**, Mayor  
City of Kingston

On this \_\_\_ day of \_\_\_\_\_, 2020, before me personally came Steven Noble, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC